

# LIABILITY INSURANCE FUND

## Statement of Revenues, Expenditures and Balances

	Audited Actual <u>2001-02</u>	Adopted Budget <u>2002-03</u>	Unaudited Actual <u>2002-03</u>	Adopted Budget <u>2003-04</u>
Revenues and Sources of Funds:				
Investment Earnings	\$ 215,416	196,742	184,630	158,740
Other Revenues	40,045	0	1,019,872	0
Interfund Service Charges	<u>583,340</u>	<u>797,918</u>	<u>797,918</u>	<u>872,370</u>
Total	<u>838,801</u>	<u>994,660</u>	<u>2,002,420</u>	<u>1,031,110</u>
Expenditures and Uses of Funds:				
Expenditures	738,178	1,018,340	799,167	1,415,550
Transfer to Workers Compensation	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>
Total	<u>738,178</u>	<u>1,018,340</u>	<u>799,167</u>	<u>2,415,550</u>
Revenues and Sources Over (Under) Expenditures and Uses	100,623	(23,680)	1,203,253	(1,384,440)
Beginning Balance, July 1	4,242,703	4,343,326	4,343,326	5,546,579
Reserve - Future Claims	<u>(225,720)</u>	<u>(743,324)</u>	<u>(323,825)</u>	<u>(323,825)</u>
Ending Balance, June 30	<u>\$ 4,117,606</u>	<u>3,576,322</u>	<u>5,222,754</u>	<u>3,838,314</u>

On August 11, 1980, Council approved a self-insurance program for liability insurance effective September 1, 1980. Existing provisions include:

1. \$500,000 self-insurance retention (SIR).
2. \$19.5 million coverage above the SIR through ACCEL joint powers authority, for a total of \$20.0 million.
3. Claims approval authority to \$30,000.
4. Collision coverage only for certain high-value vehicles.

Liability claims adjusting and monthly claims analysis reports are provided by a third party professional claims adjusting firm. The City acts as its own agent and controls risk to limit liability loss exposure. Other insurance such as fire, fidelity bonds and other coverages are not self-insured and are paid directly from the General Operating Fund. There is a \$500,000 self-insurance retention for each liability incident. The minimum reserve and balance for future claims of \$2.0 million is maintained in accordance with Council policy.